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SUBJECT: BHUTANESE REFUGEE RESETTLEMENT STILL FACING
OBSTACLES

REF: A. KATHMANDU 1328
[1](#)B. KATHMANDU 1320
[1](#)C. KATHMANDU 1227

Sensitive but Unclassified - Please Handle Accordingly

[1](#)1. (SBU) Summary. Although the Government of Nepal (GON) has agreed to third-country resettlement as an option for the Bhutanese refugees, bureaucratic and security obstacles continue to delay the start of resettlement processing: IOM still needs to conclude an MOU with the GON; the GON is resisting location of the U.S. OPE in Damak, near the bulk of the refugees, instead wanting it located 40 km away in the district seat; the GON has not yet conveyed information on its policy allowing third-country resettlement to the refugees themselves; and, the GON has not taken adequate steps to establish a secure environment in the camps that would allow refugees to make decisions regarding resettlement without threats or intimidation by a relatively small of refugees who reject it as an option. The Prime Minister's office still has not agreed to a meeting with members of the Core Group to discuss camp security and dissemination of information regarding resettlement. The UNHCR Representative in Kathmandu has sent a letter to the GON warning that the consequences of delaying the start of resettlement processing could be that the resettlement and donor countries reconsider their resettlement offers and food and humanitarian assistance. UNHCR is cautiously optimistic that the GON is fully committed now to its policy of permitting resettlement, and that is now more a question of organizing scare resources. In the meantime, Embassy and IOM have continued with preparations to open the OPE, but little more can be done before the obstacles are removed. As the November 22 Constituent Assembly polls draw nearer, restoring security in the camps will only get harder.
End Summary.

Obstacles Remain To Bhutanese Refugee Processing

12. (SBU) Preparation for U.S. resettlement processing for the 108,000 Bhutanese refugees in seven camps in southeastern Nepal continues, albeit with a few wrinkles still to be ironed out before processing can commence:

--IOM Still Needs MOU with GON: The International Organization for Migration (IOM), the organization selected by the Department to operate the Overseas Processing Entity (OPE) for Bhutanese refugee processing, has not yet signed an MOU with the Government of Nepal (GON) required by the GON for this purpose. According to recently arrived IOM project manager David Derthick, there is a dispute between the Ministry of Foreign Affairs, which normally would be IOM's GON sponsor,⁸ and the Ministry of Labor, which has attempted to usurp this role. In fact, only the MFA would be able to provide the sort of support that will be needed by IOM as it ramps up resettlement operations. Until the MOU is signed, however, IOM is unable to lease property, engage local staff, or import equipment needed to establish the OPE. According to Derthick, IOM is hopeful that the GON will resolve this dispute between the two ministries in the coming week. Embassy will weigh in on the issue with GON this week, urging that MFA be designated to sign the MOU on behalf of the GON.

--GON Resists Locating OPE in Damak: The U.S. has planned all along to base the OPE in Damak, the town located nearest the bulk of the refugees, where UNHCR and other organizations in refugee relief are based. The Chief District Officer

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(CDO) of Jhapa District, however, has informed IOM that he could not provide adequate security to an OPE in Damak and that he prefers that it be based in Bhadrapur or Chandragadhi, the district seat, about 45 km east of Damak. Embassy and IOM still prefer, for logistical purposes, that the OPE be located in Damak. Ambassador Moriarty stated this intention strongly during his farewell calls on the Foreign and Home Ministers. IOM in its own discussions with the GON is holding to this position, and Embassy will weigh in again as necessary.

--GON Still Hasn't Announced New Policy: Despite acknowledgment by the Prime Minister, MFA, and Ministry of Home Affairs that the GON now supports third-country resettlement as an appropriate durable solution option for the Bhutanese refugees, it still has not publicized this policy in the camps. Nor has it permitted UNHCR to disseminate information regarding the third-country resettlement option. The lack of information in the camps and the resultant confusion among the refugees regarding options available to them continues to strengthen the hand of those refugee factions opposed to resettlement as an option.

--Camps Still Lack Security: The GON still has not established the level of security in the camps that will allow refugees to make well-informed decisions regarding resettlement in an environment free of violent intimidation by factions opposed to resettlement. Until adequate security is restored to the camps, UNHCR will not be able to disseminate resettlement information or elicit from refugees their consent to be referred to the U.S. or other resettlement countries, or carry out other activities related to resettlement. Ambassador Moriarty again stressed to the Foreign and Home Ministers during his farewell calls (refs A and B) that it was essential that the GON establish security in the camps for resettlement to proceed.

Core Group Still Seeking Meeting with PM

13. (SBU) Ref (C) noted steps that might be taken by the Kathmandu-based Core Group to urge the GON to establish conditions in the camps conducive to resettlement processing.

Australian Ambassador and Core Group Chair Graeme Lade subsequently requested a meeting for the Core Group with the Prime Minister to explain why the lack of security in the camps was obstructing resettlement processing and to urge the GON to action. The Prime Minister's office, however, has not yet scheduled a meeting, likely because of the PM's poor health.

UNHCR Waves a Stick

14. (SBU) UNHCR Representative Abraham Abraham wrote to Foreign and Home Ministries July 11, emphasizing the urgent need for the government to convey to the camp populations its new policy on resettlement and to restore security in the camps. He warned that further delays in doing this could lead to more violent clashes and unnecessary loss of lives.⁸ In his letter, Abraham went on to suggest more serious ramifications of a failure by the GON to ending violence in the camps. These included:

--that violence and militancy in the camps could lead to the withdrawal of resettlement offers by some third countries; and

--that countries that have been providing basic food and humanitarian assistance to Bhutanese refugees for the past 16 years may risk suffering from further donor fatigue.⁸

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The message was clear: that if the GON does not move quickly to facilitate the resettlement process, it could conceivably lose the support of the international community in resolving the situation or even in maintaining the status quo.

15. (SBU) UNHCR has not yet received a formal response to Abraham's letter. However, UNHCR advises that during a July 18 meeting with officials from the MFA and Ministry of Home Affairs and the Jhapa District CDO, the officials commented that they did not have to be pushed on the resettlement issue, as offering the resettlement option for Bhutanese refugees is GON policy. It is essential, however, to restore security in the camps before the new policy is announced formally announced to the refugees. Otherwise, a premature announcement could provoke serious unrest. The Ministry of Home Affairs is committed to increasing the number of police in the camps from the current six officers to 25 (20 armed and 5 unarmed), but this will take time, according to Ministry officials. UNHCR is cautiously optimistic that security will be sufficiently enhanced relatively soon to allow durable solutions staff to begin their information campaign.

OPE Preparations Continue

16. (un) Despite the obstacles still delaying resettlement processing, Embassy and IOM have proceeded with planning for the OPE. IOM has tentatively identified a building compound in Damak, located very near the UNHCR sub-office, in which to locate the OPE. The compound, formally an elementary boarding school called 'Little Angels',⁸ contains a large residential-style house, a two-story classroom building, and two smaller structures. While neither the size nor configuration of the compound is ideal, the Little Angels compound is the most suitable space found in Damak. IOM has also identified two clinics in which space can be leased by IOM for medical exams, and is surveying the local market for suitable lodging for international staff. During the week of July 23-27, IOM IT staff from Kathmandu will conduct a survey of the Little Angels compound. July 24-25, a DHS/CIS delegation including Bangkok District Director Robert Looney and Ross Anderson from DHS/CIS Refugee Corps HQ will visit Kathmandu and Damak for briefings by Embassy, IOM, and UNHCR on the Bhutanese situation and planning for the OPE.

Comment

¶7. (SBU) Several GON officials have commented that it is difficult for them to focus attention and resources on the Bhutanese refugee situation during the run-up to the Constituent Assembly polls scheduled for November 22. In fact, as UNHCR and the Core Group members clamor for better security inside the camps, the Nepal Police are scarcely effective in providing security to the populace outside the camps. Pressure on the public security infrastructure in the camps (and, indeed, throughout Nepal) will only mount as the election draws near. If the elections for some reason are not held, the security situation could prove even more problematic. At the same time, continued failure by the GON to restore security to the camps will tend to further heighten confusion among the refugees and reinforce the confidence and tenacity of the anti-resettlement factions. In short, it is becoming increasingly critical that the impasse over access to the camps be resolved quickly.

HUGINS